

Friday, 12 October 2018

Women closing the superannuation gap

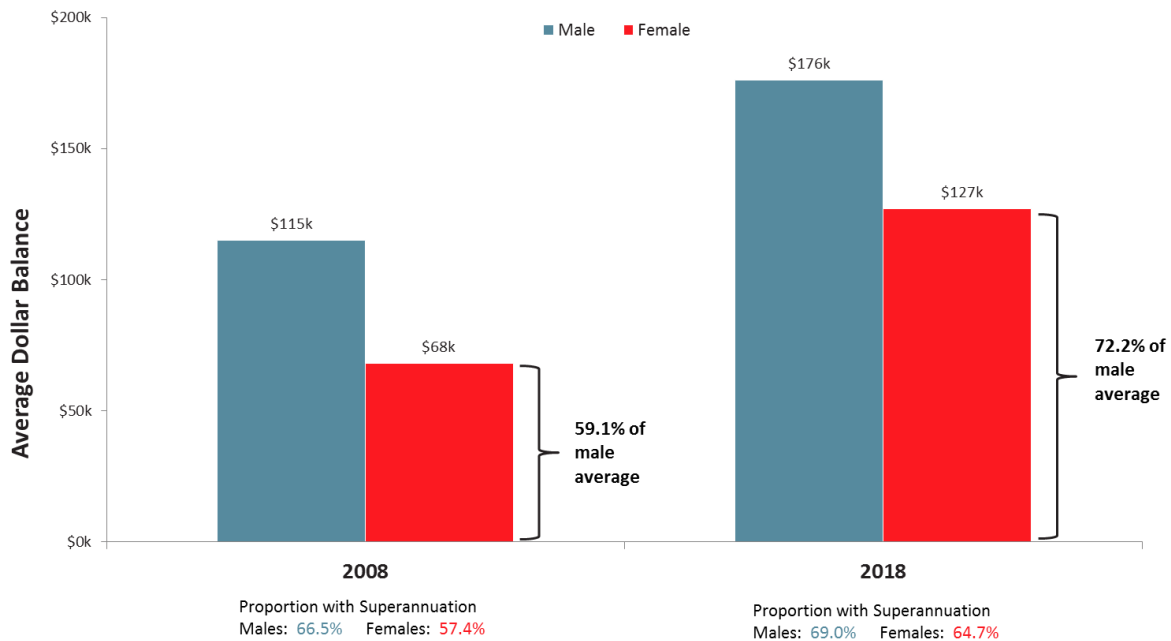
New research from Roy Morgan shows that over the last decade, women have closed the gap considerably to men on superannuation, both for ownership levels and average balances. In 2008 only 57.4% of females had superannuation, compared to males with 66.5%, a gap of 9.1% points. Currently the gap has reduced to 4.3% points, with females 64.7% and males 69%. At the same time the average balance for women has grown faster than men. Over the last decade the average superannuation balance of females grew by 87% (to \$127k), compared to males with an increase of 53% (to \$176k).

These are the latest results from Roy Morgan's Single Source survey which is based on in-depth personal interviews conducted face-to-face with over 500,000 Australians over the decade in their own homes, including over 300,000 with superannuation.

Gender gap in superannuation balance and ownership narrowing

The average superannuation balance held by females in 2008 was \$68k or only 59.1% of the male average of \$115k. Since that time a great deal of publicity has been given to this issue in an attempt to close the gap and improving the retirement funding of females. This has resulted in real progress, as evidenced by the fact that over the last ten years the average superannuation balance for females has increased from 59.1% of the male average to 72.2% currently. The gap in ownership levels has also reduced from 9.1% to 4.3% in favour of males.

Average Superannuation Balance and Ownership Level - Males vs Females



Source: Roy Morgan Single Source (Australia), Australians 14+, 12 months to August 2008, n = 52,420 and 12 months to August 2018, n = 50,182

Base: Australians 14+ with superannuation. 12 months to August 2008, n=30,302 and 12 months to August 2018, n=30,669

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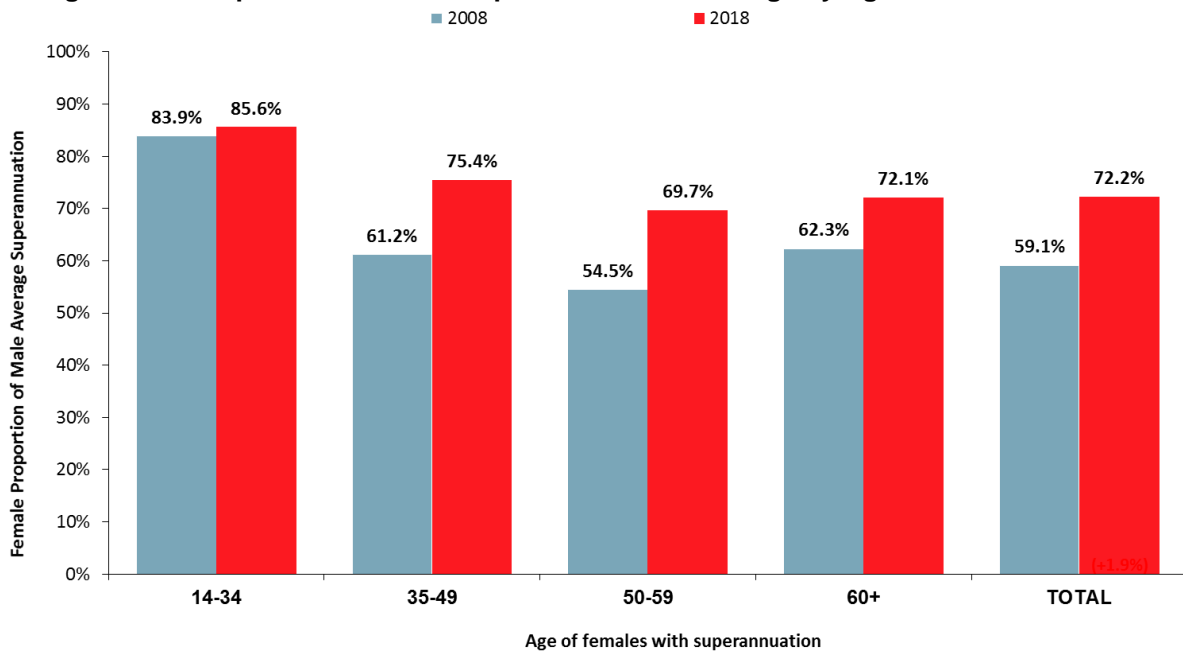
All female age groups closing the balance gap.

The following chart shows that all female age groups have been closing the gap in superannuation balances on their male counterparts over the decade. The biggest gain was made by the 50 to 59 female group which improved by 15.2% points, going from only 54.5% of the male average in 2008 to 69.7% in 2018. The other groups to show big improvements were those aged 35 to 49 (up 14.2% points to 75.4%) and the 60+ segment, up 9.8% points (to 72.1%). Females over 60 have the lowest incidence of superannuation but they have higher balances than younger females due to contributing for longer.

The female age that is closest to the male average is the 14 to 34 segment with 85.6%, having increased marginally from 83.9% over the decade.

The fact that compulsory superannuation has had another decade to impact the market, combined with the increased focus on women’s superannuation, are contributing factors to closing the gap across all age groups.

Average Female Superannuation as Proportion of Male Average by Age



Source: Roy Morgan Single Source (Australia). Australians 14+, 12 months to August 2008, n= 52,420 and 12 months to August 2018, n=50,182.

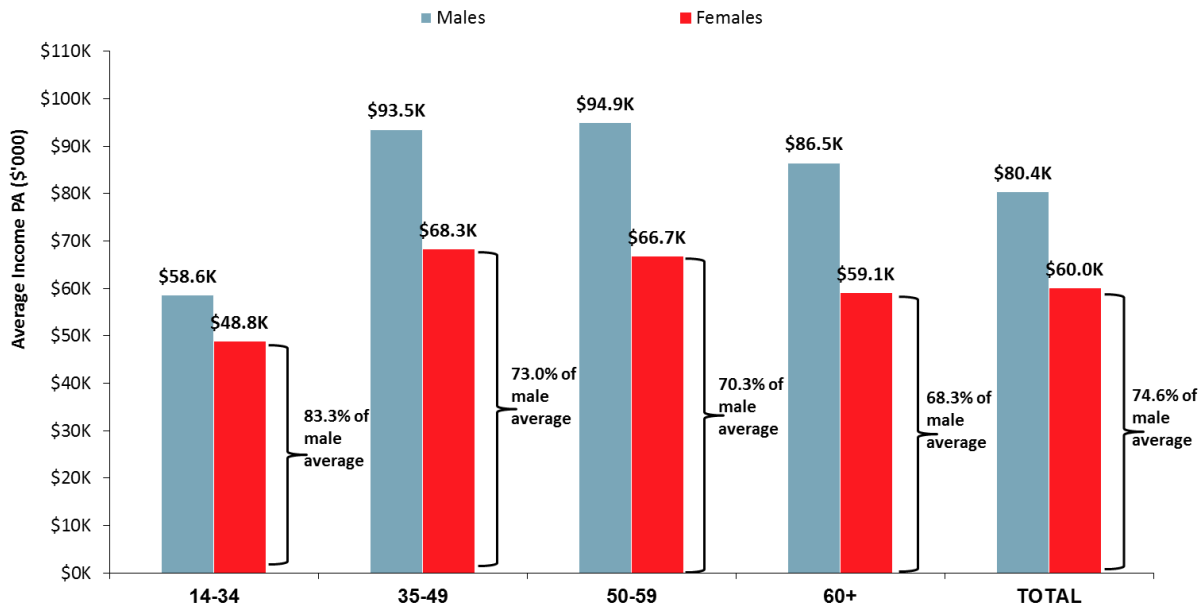
Base: Female Australians 14+ with superannuation. 12 months to August 2008, n=14,964 and 12 months to August 2018, n=14,832

Lower female income impacts superannuation

There are obviously a number of factors impacting on the superannuation for females being lower than males. Apart from the potential for loss in superannuation contributions with interrupted employment, the most likely cause is the fact that females with superannuation and who are employed, have much lower average incomes than working males.

The following chart shows that females with superannuation who currently work, have an average income of \$60.0k compared to males with \$80.4k. This means that the average income of females is equal to only 74.6% of the male average, a figure that is very close to the gap in the average superannuation seen earlier where they have only 72.2% of the male average.

Females across all age groups shown here who currently work, have much lower average incomes than males. It is most likely that the lower average income of females with superannuation is due to the fact that nearly half (46.2%) of employed females work part-time, compared to only 20.4% of males.

Average Income of Workers¹ with Superannuation - Males vs Females

Source: Roy Morgan Single Source (Australia), Australians 14+, 12 months to August 2018, n= 50,182.
 Base: Australians 14+ with superannuation and working¹. Males, n=12,416. Females, n=10,805. 1. Full and part time.

Norman Morris, Industry Communications Director, Roy Morgan says:

“Good progress has been made over the last decade regarding the average female superannuation balance and ownership levels and as a result they are closing the gap on males. The current gap shows that the average female represents 72.2% of the male superannuation average and although it still has a long way to go, it is a significant improvement on the 59.1% recorded in 2008. The gap in ownership of superannuation has also narrowed from 9.1% to only 4.3%.

“Despite real gains in employment for women over the last decade, they still lag men in terms of full time employment and as a consequence a greater proportion of women are in part time work with its associated lower annual income. This contributes to average incomes of only around 75% of the male average, which in turn leads to lower superannuation contributions and balances compared to males.

“In addition to problems associated with lower average incomes, females are more likely to have interrupted employment. However despite these negative factors operating against them, women have made gains in closing the superannuation gap to men.

“Generally both sexes are still unlikely to fund an adequate retirement entirely from superannuation unless contribution levels are increased and continue higher for several decades. Currently, we have seen in the newly released ‘[Roy Morgan Wealth Report](#)’ that there is a need for a more holistic understanding of an individual’s net wealth that goes beyond superannuation and includes other investments, home ownership, debt levels, personal and household incomes, bank accounts, financial attitudes and other factors that have the potential to have a major impact on retirement funding.

“To understand more about superannuation and its role in retirement funding, simply ask Roy Morgan.”

To learn more about Roy Morgan’s superannuation data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

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Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate | | | |
|-------------|---------------------|------------|------------|-----------|
| | 40%-60% | 25% or 75% | 10% or 90% | 5% or 95% |
| 5,000 | ±1.4 | ±1.2 | ±0.8 | ±0.6 |
| 10,000 | ±1.0 | ±0.9 | ±0.6 | ±0.4 |
| 20,000 | ±0.7 | ±0.6 | ±0.4 | ±0.3 |
| 50,000 | ±0.4 | ±0.4 | ±0.3 | ±0.2 |

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